GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:211
ANSWERED ON:19.11.2009
PROFIT LOSS MAKING PSUS
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Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) the number of Public Sector Udertakings (PSUs) in the country, State-wise;

(b) the profit/losses incurred by these PSUs during the last three years and current year;

(c) whether it is proposed to privatize some of the loss maKing PSUs;

(d) if so, the details thereof; and

(e) the measures being taken by the Government to strengthen the PSUs?

Answer

MINISTER OF THE STATE IN THE MINISTERY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI ARUN YADAV)

(a)&(b): As on 31.03.2008, 242 Central Public Sector Enterprises (CPSEs) including (28) under construction were functioning in the country. The state-wise details of CPSEs is available in Volume-I at Appendix-lll (page nos; S-173 to S-179) and Profit/loss of 214 operating CPSEs for the last three years is given in Volume~I in Statement No. 5 & 6 (page no., S-13 to S-18 of Public Enterprises Survey 2007-08, which, was laid in Parliament on 25.02.2009. One CPSE namely, Food Corporation of India (FC!) neither earned profit nor incurred loss during the past three years.

(c)&(d): The Government constituted the Board for Reconstruction of Public Sector Enterprises (BRPSE) in December,2004, inter alia for examination of the cases for CPSEs and to make appropriate recommendations to the Government. In the case of CPSEs such as Tyre Corporation of India Ltd., HMT Bearings Ltd., NEPA Ltd., and Tungabhadra Steel Products Ltd., the BRPSE has proposed/ recommended for their revival through joint venture (JV) formation with strategic partner in the private sector with majority share holding if necessary.

(e):The administrative Ministries / Departments first identify the sick enterprises and subsequently submit comprehensive revival proposal to the BRPSE for consideration and for making suitable recommendations.

Performance improvement of CPSEs is a continuous process. Enterprise specific measures for their turn around are taken by the concerned administrative Ministries/Departments. This, inter alia, includes (a) financial restructuring such as conversion of loan into equity, waiver of loan and interest including penal interest, Government guarantee for raising loans, grant of moratorium on payment of interest/loan, (b) business restructuring, such as, formation of joint ventures, merger with another PSE, modernization of plants & machinery, manpower rationalization, which may include Voluntary Retirement Scheme (VRS) and improved marketing strategies, etc.